

Appendix E

LICENCE SECTORS AND CLASSES

The Agency organises its licence classes within each of its business sectors, as set out in this Appendix. As part of its plans to rationalise and standardise licence classes under the unified licensing project (RULES) and as part of the continuing plans to introduce spectrum pricing, these classes are changing as indicated below.

Please note that detailed discussions with industry groups are continuing and many of these proposals are still fluid. They will be the subject of further consultation as described below.

It is proposed that licences are to be organised and priced according to whether they are:

(i) **Pre-packaged licences:**

All the parameters are agreed in advance for pre-set frequencies. No further frequency assignment is involved. Licences will be simple. Fees will normally be a simple flat fee or a scale reflecting sufficient pricing to cover administrative costs only. In most cases of such shared frequency use, the value of spectrum will be low or insignificant, so additional spectrum pricing is unlikely to be applied.

(ii) **Customised licences:**

These licence classes involve agreeing or clearing specific frequencies for each station or site in which the licensee operates, the

details being set out in technical schedules. The spectrum used will vary for each licence so consequently the fee may need to vary to reflect different factors, such as number of stations, channels, geographical coverage and congestion. It is aimed to introduce these fee factors in gradual steps. It is aimed to issue a licence for each station, system or link. This should help give more transparency about service use but other measures will be taken to ensure this does not disadvantage customers (e.g. common billing for different licences and more electronic access to RA licensing services).

(iii) **Spectrum licences**

These licences cover the authorisation of frequencies (often for networks) for broad geographical areas, or UK wide. The licences may not need to detail each base station (although customers may need to clear and/or notify them through the Agency, unless they fall below certain operating limits). They tend to apply to public networks and to larger private systems. Under spectrum pricing, fees for the network operators will be determined by the value of spectrum authorised or in some cases by competition or auction. End user terminals may often be licence exempted.

Proposed Licence classes by Agency Business Sectors

Public Telecommunications and Private Business Sectors fees and rationalisation arrangements began in July 1998, and Fixed Links in July 1999. All the other sectors are not planned to change before 2000 or 2001. Before any decisions on proposals for changes are finalised, detailed consultation documents are issued. Detailed information on these proposals is made available from the Agency and published through press releases and on the Agency's website.

The current list of classes, contact points and fees is listed in the Agency's information sheet RA2.

The anticipated changes being considered are listed below:

Aeronautical Sector

Aircraft licence class

- authorises the use of radio equipment and frequencies appropriate to UK registered aircraft. Pre-packaged licences likely to continue but fee arrangements may be reconsidered commencing July 2000.

Aeronautical ground station licence class

- authorises the use of radio equipment on CAA agreed assignments. Licensing approach being determined for July 2000.

Licence arrangements for radio use for balloons, gliders and other aero sports are being reconsidered for July 2000.

Aeronautical radar and navigational aid licence class

- authorises the use of radio equipment on CAA agreed assignments. Expected to be customised

Amateur and Citizen's Band Sector

Amateur radio licence class

- authorises individuals to use amateur spectrum, provided they meet appropriate qualifications. Pre-packaged licences. Simple fee proposed to continue.

Citizens Band licence class

- authorises any individual to use CB equipment and frequencies. Pre-packaged licences. Simple fee structure proposed to continue.

Broadcasting Sector

Broadcasting licensing arrangements are to be reviewed in the light of digital and other broadcasting developments. The anticipated convergence of public services may also have some impact (e.g. in the light of developments in interactive multimedia involving a mix of broadcasting and video on demand) and some services may be appropriate to award by competition or auction, but taking account where necessary of Broadcasting legislation. Further consultation on this sector and how it is priced is anticipated in early 2000.

Fixed Link Sector

Point to Point links licence class

- authorises each link. Spectrum pricing for these customised licences commenced in July 1999 with further step changes being proposed in July 2000 and July 2001. Prices reflect frequency range, link length and congestion factors

Point to Multipoint (private) class

- similar consideration to above, proposed to commence in July 2001.

Considerations are continuing for rationalising and spectrum pricing **uncoordinated links and scanning telemetry links** from 2001.

- authorises typical base services up to 3 km. Customised licences priced by channels and congestion factors.

Maritime Sector

Ships radio licence class

- authorises each UK registered vessel to use maritime spectrum. Pre-packaged licence. Rationalised to one simple fee in April 1998. Simple fee structure proposed to continue.

Maritime coastal licence class

- authorise coastal stations or systems to use internationally agreed maritime spectrum and UK maritime business channels. Fee regime proposed to be rationalised from July 2000.

Maritime navaid and radar licence classes.

- authorise the frequencies for specific navigational stations. Fee regime proposed to be rationalised from July 2000.

Private Business Radio Sector

From July 1999 a new rationalisation plan for introducing spectrum pricing commenced. New classes introduced were:

National and Regional PBR class

- authorise use of spectrum licences. Priced by spectrum value of each channel. Applies to exclusive users

Wide area PBR class

- authorises services for up to a typical 30 Km coverage base station services. Customised licences priced by factors such as channels, exclusivity and congestion

On-site PBR class (started in 1998)

From July 2000 it is proposed to complete the plan and introduce further new classes

Pre-packaged PBR services (proposed from July 2000)

- for authorising a range of shared frequency PBR applications not covered above which do not require individual assignments. Simple pre-packaged licence and fee.

PBR Radio suppliers licence class (in force from 1998)

- for authorising suppliers to hire, loan or test. New rationalised class introduced in April 1998. Flat fee pre-packaged licence and simple fee.

Other existing classes for PBR (including standard PMR and local communications) will be phased out over this period.

Programme Making Sector

Programme making and sporting events fixed, link and low power classes.

- authorise the specialist use in programme making, film production, entertainment and sporting and public events. Licences are customised and may contain both annual and short term assignments. They may be varied to meet licensee's requirements for additional assignments. The licensing regime and fee structures were revamped in April 1997 but proposed to be spectrum priced from July 2000 or possibly 2001.

Public Telecommunication Networks Sector

Public Mobile Operators licence class

- authorises operators for mobile cellular telephony, public paging and public data services. Spectrum licences generally cover frequencies for each public network, with network user stations exempted. First administrative pricing changes introduced for mobile cellular telephony in 1998 and for other services in 1999. Future new services may be auctioned or awarded by comparative bidding as appropriate.

Common Base Station licence class

- authorises small third party systems. Spectrum pricing for these Customised licences commenced in July 1999 based on congestion and number of channels for each base with further step changes planned for 2000 and 2001.

Public Access Cordless Telephony

- authorises small third party systems to provide a public access cordless service on a commercial basis. New pricing for these customised licences introduced in July 1999.

NB Private cordless systems and Network User Stations will continue to be licence exempt provided they comply with the relevant standards and ERC recommendations

Space Services Sector

Permanent earth station licence class

- authorises UK ground stations providing uplinks to control and feed satellite based communications. New Licensing regime and pricing being considered for July 2001

VSAT licence class

- authorises the smaller stations providing multiple fixed site ground systems. Licensing regime being considered for 2001

Temporary earth station licence class

- authorises temporary ground stations used for news gathering and sport Licensing regime being considered for 2001

Technology Development Sector

Test and Development licence class

- authorises genuine testing of new ideas and development under special conditions. Customised licences. Proposed to rationalise fees from July 2000.

NB Non-standard licences

- The current Temporary class to be reconsidered (from April 2000 onwards, all non-pre-packaged classes above may legally be issued short term). It is the Agency's objective to use its portfolio of licence classes wherever possible and to avoid having special licences. However, for genuine cases of use, for which neither a licence class nor exemption regulation is in place, and there is a good reason to authorise spectrum, a special one-off licence may be issued. Its fee though may reflect the disproportionate administrative cost involved, or the spectrum value if greater, as appropriate.

Special arrangements may apply to protecting use of spectrum for science and astronomy. The fees may reflect spectrum value from 2001